

14

SPONSOR: DANIEL C. REPAY, 5<sup>TH</sup> District

ORDINANCE NO. 8577

AN ORDINANCE TO AMEND  
ORDINANCE NO. 8538  
THE STATEMENT OF BENEFITS IN AN  
ECONOMIC REVITALIZATION AREA  
FOR JOB CREATION AND  
CAPITAL EXPENDITURE ENHANCEMENTS

LEAR OPERATION CORPORATION  
1401 - 165<sup>TH</sup> STREET  
HAMMOND, IN 46320

2005 004247

AMENDED (10) YEAR TAX ABATEMENT REQUEST FOR EQUIPMENT

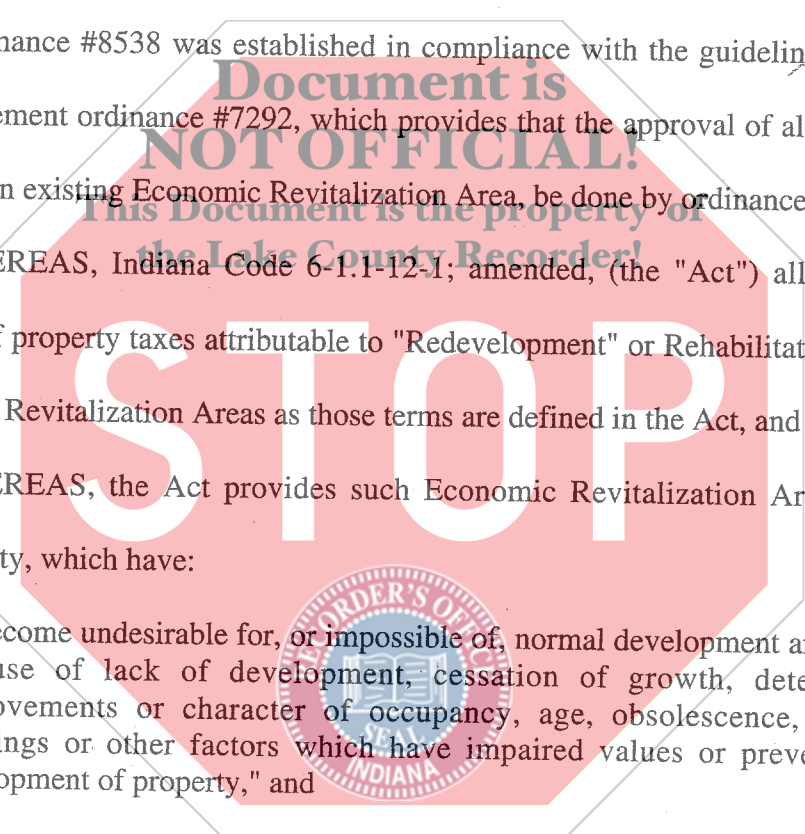
Ordinance #8538 was established in compliance with the guidelines set forth in the tax abatement ordinance #7292, which provides that the approval of all Statement of Benefits in an existing Economic Revitalization Area, be done by ordinance.

WHEREAS, Indiana Code 6-1.1-12-1; amended, (the "Act") allows a partial abatement of property taxes attributable to "Redevelopment" or "Rehabilitation" activities in Economic Revitalization Areas as those terms are defined in the Act, and

WHEREAS, the Act provides such Economic Revitalization Areas are areas within the City, which have:

"...become undesirable for, or impossible of, normal development and occupancy because of lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings or other factors which have impaired values or prevent a normal development of property," and

MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT  
649 CONKEY STREET  
HAMMOND, IN 46324



STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD  
RECORDED  
MAY 11 2005

CHK# 211209  
35.00  
KM

ORDINANCE NO. 8577

AN ORDINANCE TO AMEND  
ORDINANCE NO. 8538  
THE STATEMENT OF BENEFITS IN AN  
ECONOMIC REVITALIZATION AREA  
FOR JOB CREATION AND  
CAPITAL EXPENDITURE ENHANCEMENTS

LEAR OPERATION CORPORATION  
1401 - 165<sup>TH</sup> STREET  
HAMMOND, IN 46320

AMENDED (10) YEAR TAX ABATEMENT REQUEST FOR EQUIPMENT

WHEREAS, the hearing relative to the adoption of this amended Ordinance will be held, at which evidence and testimony may be considered by the Common Council:

WHEREAS, in Ordinance #8538 the Hammond Common Council approved Lear Operations Corporation's Statement of Benefits for an Economic Revitalization Area; and

WHEREAS, unforeseen economic factors and considerations have necessitated a modification economic viability and growth on this project; and

WHEREAS, a variance from the previously reported projection is required in order to maintain economic viability and growth on this project; and

WHEREAS, the benefits, as modified, will increase the property tax base, reflect an additional financial investment and create additional full time jobs in the City of Hammond, meeting the City's development objectives; and

NOW THEREFORE, BE IT ORDAINED by the Common Council of the City of Hammond as follows:

ORDINANCE NO. 8577

AN ORDINANCE TO AMEND  
ORDINANCE NO. 8538  
THE STATEMENT OF BENEFITS IN AN  
ECONOMIC REVITALIZATION AREA  
FOR JOB CREATION AND  
CAPITAL EXPENDITURE ENHANCEMENTS

LEAR OPERATION CORPORATION  
1401 - 165<sup>TH</sup> STREET  
HAMMOND, IN 46320

AMENDED (10) YEAR TAX ABATEMENT REQUEST FOR EQUIPMENT

1. The Lear Operations Corporation Statement of Benefits, Form SB-1, Section 3, will be amended to reflect the additional financial investment of over two million dollars, for a total investment of over seven million dollars, coupled with the creation of 35 additional, permanent jobs; and
2. The Real Estate remains designated as an Economic Revitalization Area as that term is defined in the Act. Third and final passage of this ordinance will confirm the approval of the Amended Statement of Benefits and the term defined on the Statement of Benefits will remain in effect for five (5) years beyond the date of real property reassessment.
3. Lear Operation Corporation remains approved for (10) years of Tax Abatement for Equipment as designated in the Project description as contained in the revised "Statement of Benefits" form.

ORDINANCE NO. 8577

AN ORDINANCE TO AMEND  
ORDINANCE NO. 8538  
THE STATEMENT OF BENEFITS IN AN  
ECONOMIC REVITALIZATION AREA  
FOR JOB CREATION AND  
CAPITAL EXPENDITURE ENHANCEMENTS

LEAR OPERATION CORPORATION  
1401 - 165<sup>TH</sup> STREET  
HAMMOND, IN 46320

AMENDED (10) YEAR TAX ABATEMENT REQUEST FOR EQUIPMENT

BE IT FURTHER ORDAINED, by the Common Council that this Ordinance shall be in full force and effect from and after the date signed by the President of the Common Council and approved by the Mayor.

**This Document is the property of  
the Lake County Recorder!**

**STOP**

*Kathleen Pucalik*  
Kathleen Pucalik, President  
Common Council

ATTEST:

*Robert J. Golec*  
Robert J. Golec, City Clerk





ORDINANCE NO. 8577

AN ORDINANCE TO AMEND  
ORDINANCE NO. 8538  
THE STATEMENT OF BENEFITS IN AN  
ECONOMIC REVITALIZATION AREA  
FOR JOB CREATION AND  
CAPITAL EXPENDITURE ENHANCEMENTS

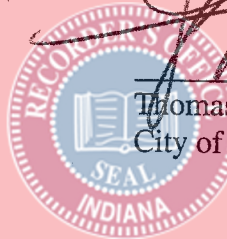
LEAR OPERATION CORPORATION  
1401 - 165<sup>TH</sup> STREET  
HAMMOND, IN 46320

AMENDED (10) YEAR TAX ABATEMENT REQUEST FOR EQUIPMENT

PRESENTED BY ME, the undersigned City Clerk of the City of Hammond to the Mayor  
of said City for his approval on the 29<sup>th</sup> day of June, 2004.

**Document is NOT OFFICIAL!**  
*Robert J. Golec*  
Robert J. Golec  
City Clerk

The foregoing Ordinance No. 8577 consisting of five (5) typewritten pages,  
including this page was Approved by the Mayor on the 6<sup>th</sup> day of  
July, 2004.



*Thomas M. McDermott, Jr.*  
Thomas M. McDermott, Jr., Mayor  
City of Hammond, Indiana

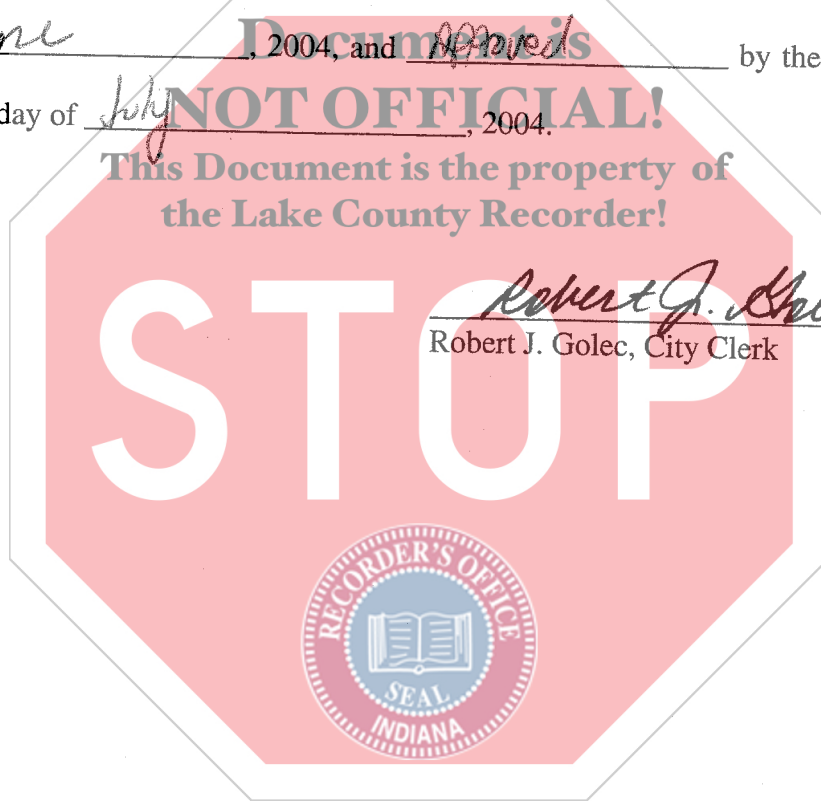
ORDINANCE NO. 8577

AN ORDINANCE TO AMEND  
ORDINANCE NO. 8538  
THE STATEMENT OF BENEFITS IN AN  
ECONOMIC REVITALIZATION AREA  
FOR JOB CREATION AND  
CAPITAL EXPENDITURE ENHANCEMENTS

LEAR OPERATION CORPORATION  
1401 - 165<sup>TH</sup> STREET  
HAMMOND, IN 46320

AMENDED (10) YEAR TAX ABATEMENT REQUEST FOR EQUIPMENT

APPROVED by the Common Council on the 28<sup>th</sup> day of  
June, 2004, and Approved by the Mayor on the  
6<sup>th</sup> day of July, 2004.



Robert J. Golec  
Robert J. Golec, City Clerk

**STATEMENT OF BENEFITS**

State Form 27167 (R6 / 4-00)

Form SB - 1 is prescribed by the State Board of Tax Commissioners, 1989

AMENDED 5/28/2004

SB - 1

**INSTRUCTIONS:**

- This statement must be submitted to the body designating the economic revitalization area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment and / or research and development equipment, or BEFORE the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987 and areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, or prior to installation of the new manufacturing equipment and / or research and development equipment, BEFORE a deduction may be approved.
- To obtain a deduction, Form 322 ERA, Real Estate Improvements and / or Form 322 ERA / PPME and / or 322 ERA / PPR & DE, must be filed with the county auditor. With respect to real property, Form 322 ERA must be filed by the later of: (1) May 10; or (2) thirty (30) days after a notice of increase in real property assessment is received from the township assessor. Form 322 ERA / PPME and / or 322 ERA PPR & DE must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and / or research and development equipment becomes assessable, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and June 14 of that year.
- Property owners whose Statement of Benefits was approved after June 30, 1991 must submit Form CF - 1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- The schedules established under IC 6-1.1-12.1-4(d) and IC 6-1.1-12.1-4.5 (e) effective July 1, 2000 apply to any statement of benefits filed on or after July 1, 2000. The schedules effective prior to July 1, 2000 shall continue to apply to those statement of benefits filed before July 1, 2000.

**SECTION 1****TAXPAYER INFORMATION**

Name of taxpayer

LEAR OPERATIONS CORPORATION

Address of taxpayer (street and number, city, state and ZIP code)

1600 EAST GRAND BLVD., DETROIT, MICHIGAN 48211

Name of contact person

KIRK L. FISHER, TAX MANAGER

Telephone number

( 313 ) 921-0020 ext.26

**SECTION 2****LOCATION AND DESCRIPTION OF PROPOSED PROJECT**

Name of designating body

CITY OF HAMMOND

Resolution number

Location of property

1401-165th Street, Hammond, IN 46320

County

Lake

Taxing district

Tax Unit #26, Hammond/North  
ESTIMATED Twp.

Description of real property improvements and / or new manufacturing equipment and / or research and development equipment (use additional sheets if necessary)

Real Property impr. are 2 loading docks and minor modifications to plant floors, cafeteria and bathrooms. Est. cost of \$225,000. New Machinery &amp; Equipment w/est. costs \$6,860,150

Real Estate

1/1/04 7/1/04

New Mfg Equipment

1/1/04 7/1/04

R &amp; DE

**SECTION 3****ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT**

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
363	\$15,022,838	363	\$15,022,838	35	\$1,330,000

**SECTION 4****ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT**

NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	Real Estate Improvements		Machinery		Research and Development Equipment	
	Cost	Assessed Value	Cost	Assessed Value	Cost	Assessed Value
Current values	5124993	3093000	6631042	2001420		
Plus estimated values of proposed project	225000		6860150	2285000		
Less values of any property being replaced						
Net estimated values upon completion of project	5349993		13491192	4286420		

**SECTION 5****WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER**

Estimated solid waste converted (pounds) \_\_\_\_\_

Estimated hazardous waste converted (pounds) \_\_\_\_\_

Other benefits:

5 Year Tax Savings

\$413,892.36

10 Year Tax Savings

\$599,430.00

**SECTION 6****TAXPAYER CERTIFICATION**

I hereby certify that the representations in this statement are true.

Signature of authorized representative

KIRK L. FISHER, TAX MANAGER

Title

TAX MANAGER

Date signed (month, day, year)

5/28/04

AMENDED



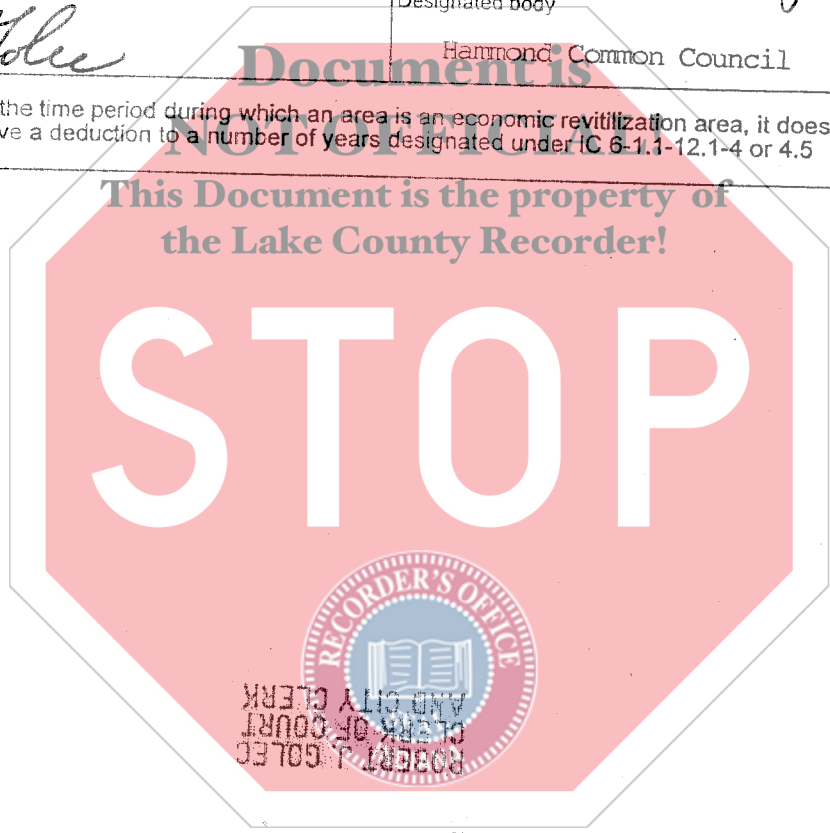
We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

- A. The designated area has been limited to a period of time not to exceed \_\_\_\_\_ calendar years \* (see below). The date this designation expires is \_\_\_\_\_.
- B. The type of deduction that is allowed in the designated area is limited to:
  - 1. Redevelopment or rehabilitation of real estate improvements;  Yes  No
  - 2. Installation of new manufacturing equipment;  Yes  No
  - 3. Installation of new research and development equipment;  Yes  No
  - 4. Residentially distressed areas  Yes  No
- C. The amount of deduction applicable for redevelopment or rehabilitation is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.
- D. The amount of deduction applicable to new manufacturing equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.
- E. The amount of deduction applicable to new research and development equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.
- F. Other limitations or conditions (specify) \_\_\_\_\_

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member) <i>Kathleen Pucelik</i>	Telephone number ( 219 ) 853-6404	Date signed (month, day, year) <i>June 28, 2004</i>
Attested by: <i>Robert J. Gollec</i>	Designated body Hammond Common Council	

\* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4 or 4.5



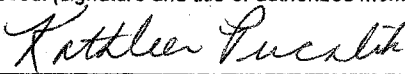
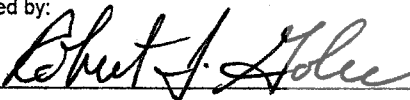
04 JUN -9 AM:26



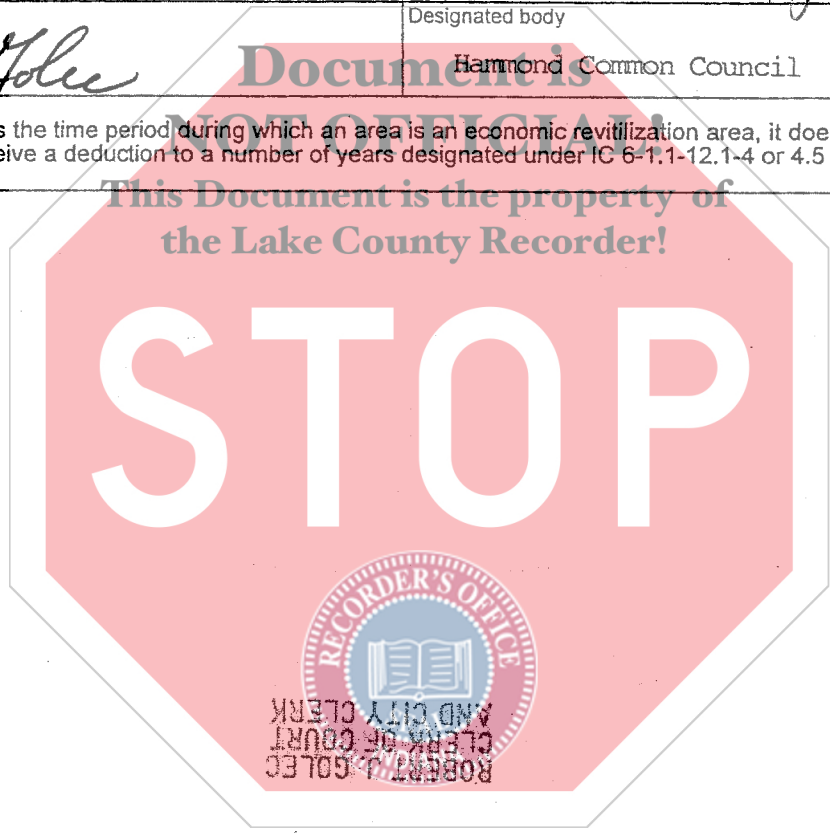
We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

- A. The designated area has been limited to a period of time not to exceed \_\_\_\_\_ calendar years \* (see below). The date this designation expires is \_\_\_\_\_.
- B. The type of deduction that is allowed in the designated area is limited to:
- 1. Redevelopment or rehabilitation of real estate improvements;  Yes  No
  - 2. Installation of new manufacturing equipment;  Yes  No
  - 3. Installation of new research and development equipment;  Yes  No
  - 4. Residentially distressed areas  Yes  No
- C. The amount of deduction applicable for redevelopment or rehabilitation is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.
- D. The amount of deduction applicable to new manufacturing equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.
- E. The amount of deduction applicable to new research and development equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ \_\_\_\_\_.
- F. Other limitations or conditions (specify) \_\_\_\_\_

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member) 	Telephone number ( 219 ) 853-6404	Date signed (month, day, year) June 28, 2004
Attested by: 	Designated body Hammond Common Council	

\* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4 or 4.5



04 JUN -9 10:26

Lear Operations Corporation  
 1401 - 165th St.  
 Hammond, In 46320  
 Key Number: 26-37-0016-0012  
 Project: Personal Property Improvement (Installation of New Equipment & Machinery)

True Tax Value	Cost Pool # 2 Assessed (5-8 years)	Estimated Valuation	Taxable Year	Payable
\$ 6,745,000	40%	\$ 2,698,000	2004	2005
	56%	\$ 3,777,200	2005	2006
	42%	\$ 2,832,900	2006	2007
	32%	\$ 2,158,400	2007	2008
	24%	\$ 1,618,800	2008	2009
	18%	\$ 1,214,100	2009	2010
	15%	\$ 1,011,750	2010	2011
	15%	\$ 1,011,750	2011	2012
	15%	\$ 1,011,750	2012	2013
	15%	\$ 1,011,750	2013	2014

Table is based on a 10 yr tax abatement schedule.

True Tax Value	Cost Pool # 2 Assessed (5-8 years)	Estimated Valuation	Taxable Year	Payable
\$ 6,745,000	40%	\$ 2,698,000	2004	2005
	56%	\$ 3,777,200	2005	2006
	42%	\$ 2,832,900	2006	2007
	32%	\$ 2,158,400	2007	2008
	24%	\$ 1,618,800	2008	2009

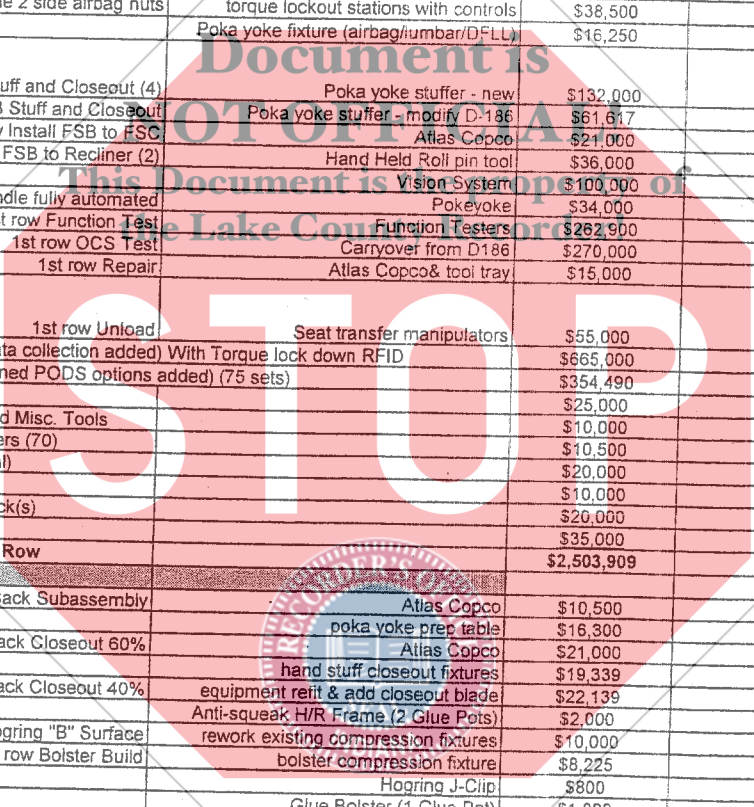
Table is based on a 5 yr tax abatement schedule.

\*\*True Tax Value (TTV): Market Value of Equipment

True Tax Value	Cost Pool # 2 Assessed (5-8 years)	Estimated Valuation	Taxable Year	Payable	Tax Liability	Tax Savings % (Abatement Schedule)	Amount of Deduction	Tax Owed	Net Tax Liability
\$ 6,745,000	40%	\$ 2,698,000	2004	2005	129,746.82	100%	\$ 129,746.82	\$ 36,329.11	\$ 282,848
	56%	\$ 3,777,200	2005	2006	181,645.55	80%	\$ 145,316.44	\$ 54,493.66	\$ 282,848
	42%	\$ 2,832,900	2006	2007	136,294.16	60%	\$ 81,740.50	\$ 62,278.47	\$ 282,848
	32%	\$ 2,158,400	2007	2008	103,797.46	40%	\$ 41,518.98	\$ 62,278.47	\$ 282,848
	24%	\$ 1,618,800	2008	2009	77,848.09	20%	\$ 15,569.62	\$ 62,278.47	\$ 282,848
					629,272.08		413,892.36	215,379.72	282,848
					<b>Gross Tax Liability</b>		<b>Total Savings</b>	<b>Net Tax Liability</b>	

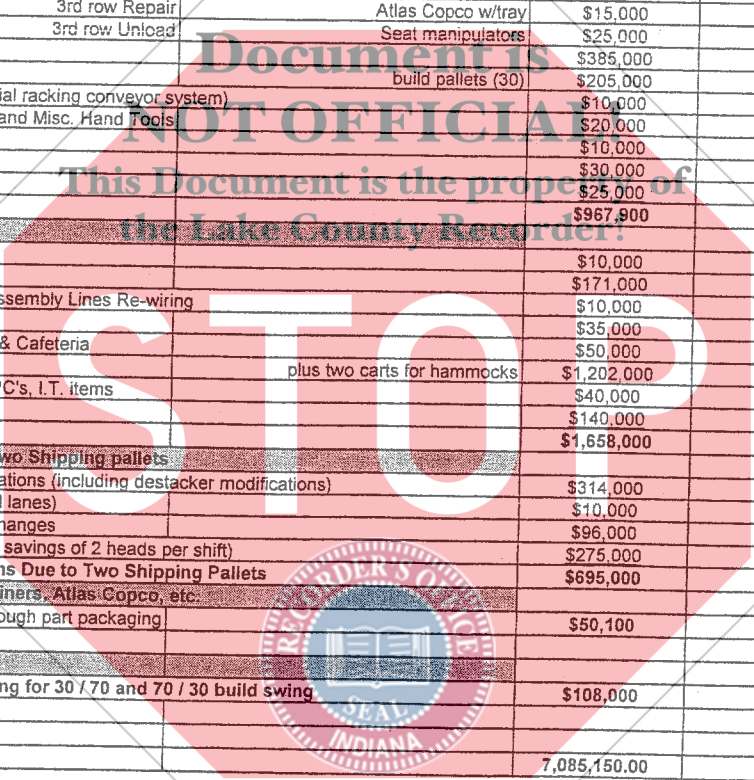


D219/258 Capital Equipment List				
Lear Corporation - Hammond, IN				
Operation Name	Fixture Description	Cost	Property Type	
<b>D219 / D258 1st Row</b>				
1100	1st row Track to Build Pallet	Riveter	\$964	ST
		riveting table	\$320	ST
1110	1st row Cushion Pan Crimp	S-spring crimper	\$10,358	ST
1120	1st row Recliner Install DR	Roll pin hydraulic installer	\$11,200	ST
	1st row manual recliner gap to sideshield	Gap checking fixture upgrade	\$3,000	ST
		Atlas Copco	\$10,500	ST
1120	1st row Recliner Install PS	Roll pin hydraulic installer	\$11,200	ST
	1st row manual recliner gap to sideshield	Gap checking fixture upgrade	\$3,000	ST
		recliner motor attachment table	\$4,000	ST
		Atlas Copco	\$10,500	ST
1145	1st row Module Install DR	Riveter	\$964	ST
		riveting table	\$320	ST
1130	1st row Module Install PS	Riveter	\$964	ST
		riveting table	\$320	ST
	Front seat cushion pan modal change	Atlas Copco (2)	\$49,000	ST
1135	1st row FSC Pan to Track	Atlas Copco	\$21,000	ST
1156	Torque 4 track to cushion pan nuts	new conveyor zones	\$3,500	ME
		forklift truck	\$25,000	ME
1160	1st row Buckle Install	Atlas Copco	\$21,000	ST
		Electronic Poka yoke tool head	\$5,792	ST
1170	1st row Hogring FSC	Rework cost for existing stations	\$13,000	ST
1180	1st row Closeout FSC	Online tuck and roll compression fixtures	\$22,000	ST
		L Pivot Plastic Secure (1 Atlas Copco gun)	\$15,000	ST
1190	1st row FSB Frame Prep DR	Atlas Copco	\$21,000	ST
		Poka yoke fixture (airbag/lumbar)	\$16,250	ST
1185	1st row FSB DFLL Prep	Atlas Copco	\$10,500	ST
1190	1st row FSB Frame Prep PS	Atlas Copco	\$21,000	ST
1196	Torque 2 side airbag nuts	torque lockout stations with controls	\$38,500	ST
		Poka yoke fixture (airbag/lumbar/DFLL)	\$16,250	ST
1200	1st row FSB Stuff and Closeout (4)	Poka yoke stuffer - new	\$132,000	ST
1200	1st row FSB Stuff and Closeout	Poka yoke stuffer - modify D-186	\$61,617	ST
1220	1st row Install FSB to FSC	Atlas Copco	\$21,000	ST
1230	1st row Install FSB to Recliner (2)	Hand Held Roll pin tool	\$36,000	ST
		Vision System	\$100,000	ST
1230B	Lumbar handle fully automated	Pokeyoke	\$34,000	ST
1280	1st row Function Test	Function Testers	\$262,900	ST
1290	1st row OCS Test	Carryover from D186	\$270,000	ST
1300	1st row Repair	Atlas Copco & tool tray	\$15,000	ST
1320	1st row Unload	Seat transfer manipulators	\$55,000	ST
44 Conveyor (turn-key w/ RFID Data collection added) With Torque lock down RFID			\$665,000	ME
45 On-line Build Pallets (w/unmanned PODS options added) (75 sets)			\$354,490	ME
46 Oven			\$25,000	ME
47 Screw Guns, Hogring Guns, and Misc. Tools			\$10,000	ME
48 New Trim Sequencing Containers (70)			\$10,500	ME
49 Material Flow Racking (General)			\$20,000	ME
50 WIP Racking			\$10,000	ME
51 Front Seat Product Auditing Buck(s)			\$20,000	ME
52 Installation			\$35,000	ME
53 Sub Total - D219 / D258 Front Row			\$2,503,909	
<b>D258 2nd Row</b>				
1400	258 2nd row Back Subassembly	Atlas Copco	\$10,500	ST
		poka yoke prep table	\$16,300	ST
1410	258 2nd row Back Closeout 60%	Atlas Copco	\$21,000	ST
		hand stuff closeout fixtures	\$19,339	ST
1410	258 2nd row Back Closeout 40%	equipment reit & add closeout blade	\$22,139	ST
		Anti-squeak H/R Frame (2 Glue Pots)	\$2,000	ST
1430	258 2nd row Hogring "B" Surface	rework existing compression fixtures	\$10,000	ST
1440	258 2nd row Bolster Build	bolster compression fixture	\$8,225	ST
		Hogring J-Clip	\$800	ST
		Glue Bolster (1 Glue Pot)	\$1,000	ST
1460	258 2nd row Repair	Atlas Copco	\$10,500	ST
68 Modify Oven			\$8,000	ME
67 Screw Guns, Hogring Guns and Misc. Hand Tools			\$5,000	ME
68 WIP Racking			\$5,000	ME
69 Installation			\$10,000	ME
70 Rear Seat Product Auditing Buck			\$10,000	ME
71 Sub Total - D258 2nd Row			\$159,803	
<b>D219 2nd Row</b>				
1500	219 2nd row Flex mat Install	Flex mat install fixture	\$12,236	ST
1550	219 2nd row Back Panel Subassembly	Back panel vice table	\$4,000	ST





	A	B	C	F	I	
75	1570	219 2nd row Stuff Back	stuffer	\$13,500	ST	
76	1600	219 2nd row Anchor Bolt	Atlas Copco	\$10,500	ST	
77	1603	219 2nd row Cushion Pan to Track	Atlas Copco	\$21,000	ST	
78	1605	219 2nd row Recliner to back frame	Atlas Copco	\$31,500	ST	
79	1605	219 Positional Angle torque positioner	Atlas Copco	\$30,000	ST	
80	1607	219 2nd row Back Closeout	Closeout blade machine	\$8,500	ST	
81	1620B	2nd row 219 "interlocking feature" directed to be CC	Fully automated pokeyoke	\$40,000	ST	
82	1625	219 2nd row Steam	Veit Steamer	\$8,000	ST	
83	1640	219 2nd row Repair	Atlas Copco w/tray	\$15,000	ST	
84	1660	219 2nd row Unload	Seat transfer manipulators	\$17,500	ST	
85	Conveyor (turn-key w/ RFID Data collection added) With Torque lock down RFID			\$485,000	ME	
86	On-Line Build Pallets (Number to protect for 70/30 split)			\$120,000	ME	
87	Screw Guns, Hogring Guns and Misc. Hand Tools			\$10,000	ME	
88	New Trim Sequencing Containers (50)			\$15,000	ME	
89	Material Flow Racking			\$15,000	ME	
90	Ovens			\$42,000	ME	
91	WIP racking			\$6,000	ME	
92	Installation			\$17,702	ME	
93	Second Row Product Auditing Buck			\$20,000	ME	
94	Sub Total - D219 2nd Row			\$942,438		
95	<b>D219 3rd Row</b>					
96	1800	3rd row Install Pivot Tube	Atlas Copco	\$10,500	ST	
97			seat belt to pivot tube fixture	\$16,400	ST	
98	1810	3rd row Floor Latch & Closeout	Atlas Copco	\$21,000	ST	
99			build fixture	\$16,400	ST	
100		3rd row recliner to Cushion	Atlas Copco	\$10,500	ST	
101	1830	3rd row Stuff Backs	50% back stuffers	\$33,300	ST	
102			bench back stuffer	\$33,300	ST	
103	1820	Bucket pivot was flap / now a hole	WIP Rack	\$1,000	ME	
104			Latch Fixture	\$17,000	ST	
105			Glue Back Foam (1 Glue Pot)	\$7,000	ST	
106	1840	3rd row Marry Back to Cushion	Atlas Copco	\$21,000	ST	
107	1860	3rd row Hogring Cushion	50% cushion hogring fixtures	\$10,000	ST	
108			bench cushion hogring fixtures	\$5,000	ST	
109			Glue cushion foam (1 Glue Pot)	\$7,000	ST	
110			Flipper Panel Screws Atlas Copco	\$10,500	ST	
111		Third row tie down strap	Atlas Copco plus fixturing	\$15,000	ST	
112	1890	3rd row Steam / H/R	Veit Steamer	\$8,000	ST	
113	1910	3rd row Repair	Atlas Copco w/tray	\$15,000	ST	
114	1920	3rd row Unload	Seat manipulators	\$25,000	ST	
115	Build Conveyor			\$385,000	ME	
116	Build Fixtures On-Line			\$205,000	ME	
117	FGI (small heavy duty material racking conveyor system)			\$10,000	ME	
118	Screw Guns, Hogring Guns and Misc. Hand Tools			\$20,000	ME	
119	Installation			\$10,000	ME	
120	Oven			\$30,000	ME	
121	Third Row Inspection Buck			\$25,000	ME	
122	Sub Total - D219 3rd Row			\$967,900		
123	<b>General</b>					
124	Service Heat Staker			\$10,000	ME	
125	ISO Dot			\$171,000	ME	
126	Feed Conveyor Linking All Assembly Lines Re-wiring			\$10,000	ME	
127	Re-do Plant Floor			\$35,000	RE	
128	Facility upgrades bathrooms & Cafeteria			\$50,000	RE	
129	Shipping Pallets			\$1,202,000	ME	
130	Scanners, printers, cabling, PC's, I.T. items			\$40,000	CE	
131	Dock Door Additions			\$140,000	RE	
132	Sub Total - General Items			\$1,658,000		
133	<b>Commercial Items Due to Two Shipping pallets</b>					
134	Empty Pallet Delivery Modifications (including destacker modifications)			\$314,000	ME	
135	FGI Software Upgrade (mixed lanes)			\$10,000	SW	
136	Outbound to stripper loader changes			\$96,000	ME	
137	Extra FGI Pickers (headcount savings of 2 heads per shift)			\$275,000	ME	
138	Sub Total - Commercial Items Due to Two Shipping Pallets			\$695,000		
139	<b>Misc. Items - Remove Headliners, Atlas Copco, etc.</b>					
140	Pass through part packaging			\$50,100	ME	
141	Sub Total - Misc. Items					
142						
143	Subtotal - Impact of protecting for 30 / 70 and 70 / 30 build swing			\$108,000	ME	
144						
145						
146	Total D219 / D258 Request			7,085,150.00		
147						
155	<b>SUMMARY BY PROPERTY TYPE</b>					
156						
157	<b>Property</b>					
158	<b>Code</b>	<b>Item</b>	<b>Cost</b>			
159	ME	Machinery & Equipment	\$2,868,283			
160	ST	Special Tooling	\$1,940,858			
161	CE	Computer Equipment	\$40,000			
162	SW	Computer Software	\$10,000			
163	RE	Real Property Improvements	\$225,000			
164	Total Project Cost			\$7,085,150		





## EXHIBIT A

LEGAL DESCRIPTION OF SITE

That part of the Southeast quarter of Section 6, Township 36 North, Range 9 West of the Second Principal Meridian in the City of Hammond, North Township, Lake County, Indiana, described as follows: Commencing at the Southwest corner of the Southeast quarter of said Section 6 and running thence East along the South line of said Southeast quarter a distance of 920.02 feet to the point of beginning; thence North at right angles to the South line of said Southeast quarter a distance of 798.09 feet thence East along a line parallel with the South line of said Southeast quarter a distance of 250.07 feet; thence Northeastwardly a distance of 522.93 feet along a line which if continued Northeastwardly, will pass through a point which is 1396.83 feet (measured perpendicularly) North of said South line and 1983.73 feet (measured perpendicularly) East of said West line of said Southeast quarter of Section 6; thence Southwardly along a straight line a distance of 134.01 feet to a point which is 967.12 feet (measured perpendicularly) North of said South line and 1549.22 feet (measured perpendicularly) East of said West line of said Southeast quarter; thence continuing Southwardly along the arc of a circle having a radius of 309.62 feet and convex Westerly a distance of 202.69 feet to a point which is 770.43 feet (measured perpendicularly) North of said South line and 1585.13 feet (measured perpendicularly) East of said West line of said Southeast quarter; thence Southeastwardly along a straight line a distance of 77.26 feet to a point which is 703.81 feet (measured perpendicularly) North of said South line and 1625.96 feet (measured perpendicularly) East of said West line of said Southeast quarter; thence continuing Southeastwardly along a straight line a distance of 490.93 feet to a point which is 300.74 feet (measured perpendicularly) North of said South line and 1916.57 feet (measured perpendicularly) East of said West line of said Southeast quarter; thence continuing Southeastwardly along a straight line a distance of 68.07 feet to a point which is 245.78 feet (measured perpendicularly) North of said South line and 1958.13 feet (measured perpendicularly) East of said West line of said Southeast quarter; thence continuing Southeastwardly along the arc of a circle having a radius of 292.94 feet and convex Southwesterly a distance of 117.02 feet to a point which is 167.40 feet (measured

EXHIBIT "A"

perpendicularly) North of said South line and 2045.97 feet (measured perpendicularly) East of said West line of said Southeast quarter; thence continuing Southeastwardly along the arc of a circle having a radius of 578.36 feet and convex Southwardly a distance of 304.79 feet to a point which is 25.06 feet (measured perpendicularly) North of said South line of said Southeast quarter from a point thereon which is 2340.80 feet East of said Southwest corner of said Southeast quarter; thence South a distance of 85.06 feet to said point on said South line of said Southeast quarter which is 2340.80 feet East of the Southwest corner thereof; and thence West along said South line of said Southeast quarter of Section 6 a distance of 1420.78 feet to a point of beginning, EXCEPTING therefrom the North 10 feet of the Westerlymost 45.66 feet which is embraced in Cleveland Street and Hillard Avenue. A formal resurveyed legal description shall be furnished prior to closing.

